

ARTICLE APPEARED
ON PAGE A-20

NEW YORK TIMES
28 OCTOBER 1981

Risk Analysis Big Business For Ex-Aides

By CLYDE H. FARNSWORTH
Special to The New York Times

WASHINGTON, Oct. 27.—At the end of a long shadowy corridor in a nondescript office building three blocks from the White House, the sign by the locked door reads International Business Government Counsellors Inc.

After pressing a buzzer, the visitor is swiftly led into a room filled with books, a large map of the world and secure filing cabinets. The air is heavy with the aromatic smoke of pipe tobacco.

William E. Colby, a former director of the Central Intelligence Agency, appraises a visitor from behind steel-rimmed glasses and then ever so circumspectly describes his new job for private industry as an "investment risk assessor."

It's a "natural follow-up" to his experience in intelligence, he says, and then briefly sizes up conditions in Egypt, Saudi Arabia, Mexico and France as he used to do for his former client in the Oval Office.

Thoughts on Saudi Royalty

One of his conclusions: Expect a devaluation of Mexico's currency before next year's general elections. Another: The Saudi royal house has far deeper political roots in that country than the Shah had in Iran and is therefore not ripe for a coup.

Mr. Colby is a leading practitioner of a burgeoning industry in Washington, the selling of expertise to the private sector by former Government officials. It's known as the "revolving door" in the trade, and has existed for decades.

Lawyers in regulatory agencies take jobs with the companies they once regulated. Former trade officials advise private clients on United States trade policy. Former Cabinet officers, with fresh knowledge of the inner workings of Government, provide new input to their old law firms or to the boards of private companies.

But now, after the collapse of the Shah in Iran and the clobbering that many companies took in failing to foresee the revolution, a growing number of former officials, particularly those with experience in intelligence or the foreign service, are becoming investment risk assessors for multinational companies.

A One-Man Consulting Concern

Richard Helms, another former top C.I.A. official, who was once the American envoy to Iran, now runs a one-man consulting operation, which he calls Safeer, after the Persian word for ambassador. Among his clients is the Bechtel Corporation, the international construction enterprise that thrives on contracts with various Middle Eastern countries.

James R. Schlesinger Jr., who had been Defense and Energy Secretary as well as director of the C.I.A., now advises Lehman Brothers, Kuhn Loeb. One of his current tasks is the examination of investment possibilities in China for a host of Lehman clients.

Not all have come in out of the cold.

James A. Johnson, who was executive assistant to Vice President Mondale, and two other Carter Administration appointees, Richard C. Holbrooke, Assistant Secretary of State for East Asia, and Decker Anstrom, who had a high position in the Office of Management and Budget, have formed a consulting operation that they call Public Strategies.

The assessment of a country's political stability is only one element of what has become a highly sophisticated and specialized business of investment analysis.

Review of Tax Policies

The analysts also look at a country's regulatory process and tax policies to see whether they will be excessively burdensome for the companies considering doing business there.

While there has been a proliferation of independent risk-analysis consultancies, they are now due for "some kind of shakeout," said Gordon Rayfield, who is president of the Association of Political Risk Analysts, which has 300 members. Multinational companies are starting to build in-house departments of full-time investment analysts. Gulf, Exxon, Mobil, General Motors, and Chemical Bank and Chase Manhattan are among those that have moved in this direction. The Chase uses the services of former Secretary of State Henry A. Kissinger on its risk committee for foreign loans.

Risk analysis is even being taught at some universities. Georgetown University's School of Foreign Service is among these. And the professor, Thomas Reckford, not surprisingly is a former operative for the C.I.A.

ARTICLE APPEARED
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TIME MAGAZINE
26 October 1981

AFGHANISTAN

In the Capital of a Quagmire

Moscow conducts an open-ended battle against a resilient insurgency

For nearly two years a Soviet expeditionary force of 85,000 troops has propped up Afghanistan's Communist regime against a motley but tenacious resistance movement. Soviet intervention in Afghanistan has become a chronic irritant in East-West relations: Secretary of State Alexander Haig reiterated U.S. outrage in his talks with Soviet Foreign Minister Andrei Gromyko at the United Nations a month ago, and the Afghanistan issue will probably be debated in the U.N. General Assembly next month. Most Western press coverage of the conflict has come from listening posts in Pakistan and India and from reporters who have slipped into rebel-held territory. TIME Diplomatic Correspondent Strobe Talbott received a rare visa from the Afghan government and last week sent this report from Kabul:

During daylight, Kabul seems almost like a city at peace. Almost, but not quite. There are reminders, some constant and subtle, others sudden and dramatic, that this is a land at war with itself and with its giant neighbor to the north, and that the war is closing in on the capital.

At a dusty park, children frolic on a makeshift wooden Ferris wheel, seemingly oblivious of the armored personnel carrier at an intersection near by, a searchlight mounted on its turret. The younger children cluster around a foreigner, taking him for a Soviet, chanting "Khorosh! Khorosh!" (good). Older youths, approaching or just over the compulsory military draft age of 15, withdraw sullenly.

At the main mosque on the bank of the Kabul River, the faithful gather for midday prayers. Most are old men, many of them crippled. In the midst of their worship, the droning incantations from the loudspeakers on the minarets are momentarily drowned out by the roar of two camouflaged MiG-21s streaking toward

targets upcountry. Outside, a truck goes by with two Soviet soldiers in the back. They wear wide-brimmed khaki ranger hats and olive-drab bulletproof vests, and they hold their Kalashnikov assault rifles at the ready, barrels upright, on their knees.

Commercial air traffic, what little is still operating, moves in and out of Kabul airport normally, but the Soviet Ilyushin and Antonov military transports that use the same runway bank sharply after take-off and climb to a safe altitude in a tight spiral. There is rising concern that rebels armed with hand-held SA-7 antiaircraft missiles may be hiding in the hills around the capital.

In the densely populated old part of Kabul, numerous houses are flying red banners. There is nothing ideological about them. It is an Afghan custom to hoist a green or blue flag if someone in a household has died, a red one if death occurred by unnatural causes, "such as murderer or in war," as a resident explains.

Trade in the bazaars is brisk. It includes a thriving black market in which Soviet soldiers barter vodka, clothing, even ammunition for hashish. Here and there, turbaned vendors beckon for customers to examine straw baskets filled with lethal-looking daggers with 6- to 8-in. blades. A pair of passing Soviet privates, their Kalashnikovs at their sides, eye the knives nervously.

A European agricultural aid specialist says that the radius in which he is allowed to operate around Kabul has narrowed to just beyond the capital's suburbs. The price of tea has recently doubled, the cost of firewood, the principal heating fuel, tripled. Winter in this ruggedly beautiful mountainous country can be very harsh; this year it will be especially hard, and expensive, for Kabul's citizens.

Seven miles north of the city lies the Kabul Golf and Country Club. Its 18 holes

are perhaps the most challenging in the world, not just because goats graze on the fairways and the "greens" are made of oiled-down sand, but because the course is often a no man's land in shootouts between government troops and the *mujahedin* (holy warriors). The guerrillas let alone the foreign diplomats who play there: the Soviets, after all, are known not to be golfers. The *mujahedin* concentrate instead on sniping at Afghan sentries stationed near by atop a dam at the base of Kargha Lake, a reservoir for the capital. The guerrillas have also ambushed parties of Soviet soldiers and nurses from the military hospital in town who come to swim and fish in the lake. Recently six Soviets were fishing with hand grenades, lobbing them into the water like depth charges and swimming out to collect the fish that floated belly-up to the surface. Then a band of *mujahedin* on a hillside opened fire, a lethal variation of the same game. Two of the Soviets were killed, two wounded, and two escaped.

But the lesson of Afghanistan may be that the Soviets do not give up easily: last week there was another Soviet swimming off the pier at Kargha Lake, while his wife and small daughter gathered stones on the beach. They had formidable lifeguards: a dozen Afghan soldiers, a patrol boat and an armored vehicle.

The reservoir basin frequently reverberates with the thud of bombs exploding near by and with the rumble overhead of Mi-24 "Hind" helicopter gunships. They are the nemesis of the *mujahedin*. The choppers' main targets nowadays lie another ten miles northwest, around the town of Paghman, which has been the fulcrum of a seesaw struggle between government forces and insurgents. Two weeks ago the *mujahedin*'s green banners of Islam were flying over Paghman. Last week they had been replaced

CONTINUED

NEW YORK TIMES
18 October 1981

SOVIET-TERROR TIES CALLED OUTDATED

J. S. Intelligence Officials Say
Haig-Based Accusation on
Decade-Old Information

By LESLIE H. GELB

Special to The New York Times

WASHINGTON, Oct. 17 — Early Reagan Administration charges that the Soviet Union was directly helping terrorists were essentially based on information provided a decade ago by a Czechoslovak defector, according to senior intelligence officials.

"What we are hearing is this 10-year-old testimony coming back to us through West European intelligence and some of our own C.I.A. people," one official said. "There is no substantial new evidence."

The defector, Maj. Gen. Jan Sejna, was said to have been closely associated with Antonin Novotny, the Stalinist party leader of Czechoslovakia. The general fled to the United States in early 1968 after Mr. Novotny had been replaced by Alexander Dubcek, the leader of the short-lived liberalization period, which was ended by the Soviet-led military intervention in August 1968.

In 1972, the Central Intelligence Agency dispatched General Sejna to Western Europe to share his information on a number of subjects with intelligence agencies there, as is often done.

Sejna Reported Direct Link

General Sejna was said to have told Western intelligence agencies at the time that the Russians had trained terrorist groups like the Baader-Meinhof gang of West Germany and the Red Brigades of Italy.

American intelligence officials said there was little evidence to back up his assertion of direct Soviet involvement in international terrorism, though there is evidence of indirect links.

Last January, Secretary of State Alexander M. Haig Jr. said that the Soviet Union, as part of a "conscious policy," was "training, funding and equipping" international terrorists.

President Reagan said at the time that the Administration would give the combating of international terrorism high priority in foreign affairs.

Officials said the State Department's own Bureau of Intelligence and Research later told Mr. Haig on several occasions that there was no hard evidence to back up his assertions, and that he was basically repeating the stories of the Czechoslovak defector.

The officials said it sometimes happened that information shared by the American military attachés abroad

General Under C.I.A. Protection

General Sejna, who remains under C.I.A. protection, could not be immediately reached for comment. In response to an inquiry, a C.I.A. press officer said any questions to him would have to be relayed by letter.

After Secretary Haig's initial remarks, the C.I.A. prepared a study that the Director of Central Intelligence, William J. Casey, rejected as inadequate. He ordered other studies that, officials said, also did not satisfy his conviction about direct Soviet responsibility.

As described by officials, the judgment of the intelligence agencies is this: In the early 1960's, the Kremlin established training and support centers in the Soviet Union and in other countries for Libyans, Iraqis, North Koreans, Angolans, members of the Palestine Liberation Organization and others.

The purpose was to help these groups with guerrilla techniques and weapons for the early stages of what the Soviet Union calls "wars of national liberation."

But later some of these centers were used by the Libyans, the P.L.O. and others to train terrorist groups like the Baader-Meinhof gang, the Red Brigades and the Japanese Red Army.

No Direct Link to Soviet Seen

The Soviet Union almost certainly knew of these subsequent activities, and there is no evidence of Soviet efforts to block them. But there is also little evidence to show that the Soviet Union was in any way directing terrorist actions.

Some intelligence experts say "it should not be necessary to draw pictures," as one put it, to establish Soviet responsibility and Soviet benefit from the activities. Others say that the Soviet Union created the centers for one purpose — support of national liberation movements — and that the centers turned into Frankenstein monsters that could not be controlled.

There is also intelligence evidence that the Soviet leaders themselves have talked about the uncontrollability of these groups, and have referred to the terrorists as "adventurists."

In an interview, William E. Colby, the former Director of Central Intelligence, summed up what many other intelligence experts said: "Given the fact that the Soviets set these centers in motion, they are not without responsibility, and there is no evidence of their urging restraint on the terrorists."

Intelligence officials react with sensitivity to the subject of Soviet complicity in terrorist activities. Some feel that recent statements, including some by Administration officials, are really accusing the intelligence agencies of covering up links between Moscow and terrorists.

Officials said the feelings on the matter ran so high that the first and unsolicited C.I.A. report after Mr. Haig's statements was, in fact, written as a rebuttal.

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RADIO TV REPORTS

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20015

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FOR PUBLIC AFFAIRS STAFF

PROGRAM The Fred Fiske Show

DATE October 12, 1981 8:00 PM

SUBJECT The National Intelligence Daily

FRED FISKE: Almost all newspapers work very hard to increase their circulation. The newspaper with the largest reporting staff in the world and a huge budget has a tiny, select, strictly limited readership. It's the National Intelligence Daily published by the CIA. And Dale Vanatta (?) tells about it in an article in the current issue of Washingtonian magazine, entitled "Okay, Doll, this is Knight. Get me Casey. I've got a scoop." It's the most secret newspaper in the world. The National Intelligence Daily is the subject.

Dale Vanatta is an investigative reporter on the staff of Jack Anderson.

How are you, Dale?

DALE VANATTA: Fine. Good to be back after a year.

FISKE: It hardly seems to me that it could be a year. How about that? He says it's a year ago. I'd have guessed five or six months.

VANATTA: Yeah. And I think that article -- when we were talking about that article, it was about rating Jimmy Carter with peanuts. And we said we'd probably be rating Ronald Reagan with oranges the next year. And indeed we are, yes, with Reagan in power.

FISKE: How's Jack these days?

VANATTA: Fine. Doing very well.

FISKE: The National Intelligence Daily is the brain-

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Distribution II

7 October 1981

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24RM-SECRETS

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WASHINGTON, Oct 7, REUTER -- THE JUSTICE DEPARTMENT WILL SUE ANY PRESENT AND FORMER GOVERNMENT OFFICIALS, INCLUDING PRESIDENTS, WHO PUBLISH SECRET INFORMATION WITHOUT PRIOR APPROVAL, A SENIOR DEPARTMENT OFFICIAL SAID TODAY.

J. PAUL McGRATH SAID THE ADMINISTRATION WILL MAKE NO EXCEPTIONS TO ITS NEW POLICY WHEN CONSIDERING LEGAL ACTION AGAINST THOSE WHO VIOLATE GOVERNMENT SECRECY OATHS OR PUBLISH SECRETS OBTAINED IN THEIR JOBS WITHOUT CLEARANCE.

MR McGRATH, ASSISTANT ATTORNEY GENERAL IN CHARGE OF THE JUSTICE DEPARTMENT'S CIVIL DIVISION, WAS INTERVIEWED BY REUTERS ABOUT THE POLICY AIMED CHIEFLY AT PROTECTING NATIONAL SECURITY.

"THE POLICY DOES NOT INTEND TO EXEMPT ANYBODY," HE SAID WHEN ASKED IF IT COULD RESULT IN CIVIL SUITS AGAINST A PRESIDENT OR FORMER PRESIDENT WHO DISCLOSES CLASSIFIED INFORMATION IN HIS MEMOIRS.

THE U.S. SUPREME COURT RECENTLY UPHELD THE GOVERNMENT'S RIGHT TO SUE FORMER CIA AGENTS FOR INCLUDING INFORMATION IN BOOKS WITHOUT APPROVAL FROM THE SPY AGENCY.
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24RM-SECRETS 2 WASHINGTON

MR McGRATH, IN RESPONSE TO QUESTIONS, DECLINED TO DISCUSS SPECIFIC SITUATION WHERE THE DEPARTMENT IS CONSIDERING FILING CIVIL SUITS AGAINST INDIVIDUALS WHO HAVE PUBLISHED CONFIDENTIAL INFORMATION WITHOUT PRIOR APPROVAL.

BUT DEPARTMENT SOURCES TOLD REUTERS LAST MONTH THAT THE JUSTICE DEPARTMENT PLANS TO SUE FORMER CIA DIRECTOR WILLIAM COLBY FOR PUBLISHING HIS 1978 MEMOIRS WITHOUT PRIOR APPROVAL BY THE AGENCY.

STATINTL

NATIONAL AFFAIRS

Thinking the Unthinkable

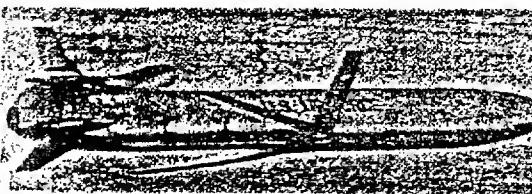
The first warning would be the flare of the engines as the Russian missiles lift off, an incandescence visible to sensors on satellites poised 22,000 miles above the Indian Ocean. The message would flash to the North American Aerospace Defense Command (NORAD) in Cheyenne Mountain, Colo., to Strategic Air Command headquarters in Omaha, to the Pentagon and to the White House: confirmed launch, destination not yet known, half an hour to impact. Within minutes the computers would be at work, spitting out precise targets of the Soviet attack: military installations, not cities—a gamble on limited war. At fifteen minutes to impact, the President, already en route to an airborne control center, would face his few grim choices. He could retaliate in kind, escalate or surrender. Fourteen minutes to impact ...

Even though the world has lived with the bomb for nearly two generations, the idea of an actual nuclear war between the superpowers—or between two other nations for that matter—still defies comprehension. How could it possibly begin? And how would it end—in the global holocaust of science fiction or in a limited exchange of weapons that leaves population centers largely intact? The Soviet Union has based its nuclear policy on the second option for nearly twenty years, and

now U.S. strategic planners are being forced to respond. The result, reflected in Ronald Reagan's effort to bolster America's nuclear arsenal, is the acceptance of the theory of limited war: that the only credible deterrent to a nuclear war is the willingness to fight one. Signaling the new attitude over a year

As the superpowers talk of a 'winnable' nuclear war, the world becomes a more dangerous place.

ago, George Bush spoke of emerging "a winner" in a nuclear exchange—and more recently, Administration officials have talked of surviving a limited war in better shape than the other side. Many critics believe that mere discussion of "winnable" nuclear war increases the chance of one occurring and



Sigma

The new breed: Testing a cruise missile

inevitably escalating into full-scale conflict. The Bulletin of the Atomic Scientists agrees: at the end of 1980 its famous "doomsday clock" was moved up three notches to just four minutes before midnight.

* * * * *

At bottom the problem lies, as everyone recognizes, in the large number of uncertainties: nuclear war is not so much unthinkable as it is unknowable. Nor do the scenarios—"pencil-and-paper wars," as former CIA director William Colby once called them—offer much guidance. Real wars take place in the world of bad weather, technical failures and unpredictable personalities. Soviet intentions toward the United States are murky, and to the Soviets the reverse is doubtless true as well.

PUBLISHERS WEEKLY
2 October 1981

Attorney General Revokes *Snepp* Review Guidelines

Attorney General William French Smith has revoked the December 9, 1980, *Snepp* guidelines dealing with government suits against present or former employees who allegedly violated secrecy obligations by failing to submit materials for prepublication review. The revocation of the guidelines on September 3 was necessary, Smith stated, "to avoid any confusion over whether the United States will evenhandedly and strenuously pursue any violations of confidentiality obligations."

The revocation of the policies, promulgated during the Carter administration, has been followed by reports that the Justice Department is planning to sue William E. Colby, a former director of the CIA, for failing to clear all editions of "Honorable Men," a memoir favorable to the agency published in 1978 by Simon & Schuster.

Questioned by PW, associate deputy attorney general Bruce Fein said, "You will have to wait to see if a suit is filed." Asked about the possibility of the case being settled through a consent decree requiring Colby to turn over some profits from his book to the government, Fein said, "I am not speaking on the matter. On litigation, the Justice Department does not prematurely disclose its intention on any action it might take."

The old guidelines tended to narrow the circumstances under which the government could bring an action, setting forth a list of factors the attorney general would have to consider before instituting such a suit. They were "principally deficient," said a release from the attorney general's office announcing their revocation, "in that they tended to suggest that some violations would be ignored, which would have the effect of encouraging, in some cases, avoidance or aiding and abetting the avoidance of the important predissemination review process."

Bruce Rich of the New York City law firm of Weil, Gotshal and Manges, who has been representing the Association of American Publishers in negotiations with the Justice Department, said he was not "totally pessimistic" about the revocation of the guidelines. He pointed out that the AAP had visited with the department some months ago to voice its concern that the government might be prepared to sue publishers as third parties in such disputes.

"The new policy appears to tend to limit any enforcement intentions to former or present government employees, although it does not explicitly so limit the government's enforcement intentions," Rich said.

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ON PAGE A-34

NEW YORK TIMES
2 OCTOBER 1981

Letters

William Colby's Ungrateful Nation

To the Editor:

I do not understand why an Administration that constantly extols the virtues of patriotism singles out for censure and embarrassment a man whose adult life has been spent in distinguished public service.

William Colby was decorated for valor in World War II, forsook a lucrative career as a private lawyer to work for the C.I.A. and, at President Ford's request, resumed his directorship of it after being abruptly dismissed at a time when the Director's job was not a happy one. One can agree or disagree with what he did as C.I.A. Director, but not with his motives for being there.

The Administration's desire to curb leaks of classified information is understandable. If, in fact, Mr. Colby breaches national security in his book, he is certainly not the only or most culpable public figure to have done so. To sue him as an example of the Administration's resolve [news story Sept. 21] is unbecoming and unfair.

JOHN C. KIYONAGA
New York, Sept. 24, 1981

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ON PAGE 122

WASHINGTONIAN
OCTOBER 1981

Okay, Doll, This Is the Get Me Casey. I've

The CIA Is the Largest News-Gathering Organization in the World and Its National Intelligence Daily Is Very Secret

By Dale Van Atta

For more than twenty years Bill dreamed of publishing a little newspaper. He realized his dream in 1974, launching a four-page publication that readers, when they referred to it at all, simply called the *NID*. It came out every day except Sunday, when most of its readers rested.

Bill says his newspaper had the largest reporting staff of any on earth and a budget running to billions of dollars. Unquestionably, the communications technology used to produce the *NID* was the best yet devised. Although there was no advertising to bump any of the paper's many exclusives, its editors often complained of a need for more space. But Bill resisted: Keep it small, he said. Bill made sure that it was kept exclusive as well. The *NID* never had more than sixty customers. One of them was the President of the United States.

Bill will tell you that his reporters and newspaper were the best in the world. Mostly we have to take his word for that, because the paper's readers were required to return it or destroy it. *NID* is short for *National Intelligence Daily*, the newspaper of the Central Intelligence Agency. Bill is short for William Egan Colby, director of the CIA from 1973 to 1976.

Pity the CIA man, for he is a most misunderstood creature.

They—which means everyone not in the know—call him an agent. He huffs at that. Agents are merely spies, and are paid and “handled,” whereas he is a case officer or analyst. They say he is covert, which is true, but that does not mean that he is evil. They draw him in cloak and with dagger, but his true companions are computers, economic matrices, and Roger Sturman, who say the security of the nation rests on his judgment; but often, if he is to advance,



The front page of the *National Intelligence Daily* for Friday, 29, 1975, and William Egan who founded this most secret newspaper in the world.